

# Legal Issues

## Gains Hopkins

Managing Attorney, Office of General Counsel,  
HUD



# Legal Relationships

- Relationship with lender governed by Contract of Mortgage Insurance & Mortgagee's Certificate
  - ❖ First lien requirement
  - ❖ UCC securitization
- Relationship with mortgagor governed by Regulatory Agreement
  - ❖ Significant provisions of RA
  - ❖ Covenants

# Significant Documents

- Significant documents used in program & legal review
  - ❖ Commitment—special conditions
  - ❖ Organizational documents
  - ❖ Opinion by counsel to mortgagor
  - ❖ Mortgage
  - ❖ Note
  - ❖ Security Agreement & UCC Filing Statements

# Significant Documents

- Construction docs (plans & specs)
  - ❖ Construction Management
  - ❖ Lump sum
  - ❖ Design build
  - ❖ Early work
    - Early start 2415
    - Precommitment work (R&W)
    - Site preparation
    - No work prior to application

# Role of Office of General Counsel

- Role of OGC and relationship to OIHCF/HHS

- ❖ Relationship of OGC to AE & OIHCF

- ❖ Role of CIM (John Daly's Office)

- All issues rather than routine closing matters
    - Examples—waivers

- ❖ Role of field attorney designated as closing attorney

- Reviews submission of closing docs (including all construction docs)
    - Sets closing date & location
    - Continuing assignment, e.g. asset management issues

# Other Considerations

- Transfers of physical assets
- Releases of security, restricted pledges
- Source of funds for mortgage loan
  - ❖ Bonds—tax-exempt vs. taxable
  - ❖ Non-bond source of funds
  - ❖ Prepayment issues—cite reg

# QUESTIONS?

Please write them down for the  
upcoming Q&A Session!

